



DEPARTMENT OF THE TREASURY

Office of Foreign Assets Control

Information Regarding General Licenses A and B under the new Executive Order of February 5, 2012

AGENCY: Office of Foreign Assets Control, Treasury.

ACTION: Notice.

SUMMARY: The Department of the Treasury's Office of Foreign Assets Control ("OFAC") is providing information regarding General Licenses A and B issued pursuant to the new Executive Order of February 5, 2012 ("Blocking Property of the Government of Iran and Iranian Financial Institutions") ("new Executive Order").

DATES: General Licenses A and B went into effect on February 6, 2012.

FOR FURTHER INFORMATION CONTACT:

Assistant Director for Sanctions, Compliance, & Evaluation

Office of Foreign Assets Control

Department of the Treasury

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SUPPLEMENTARY INFORMATION:

Electronic and Facsimile Availability

This document and additional information concerning OFAC are available from OFAC's Web site (www.treasury.gov/ofac). Certain general information pertaining to OFAC's sanctions programs also is available via facsimile through a 24-hour fax-on-demand service, tel.: 202/622-0077.

Background

On February 5, 2012, the President, invoking the authority of, inter alia, the International Emergency Economic Powers Act (50 U.S.C. 1701-1706) ("IEEPA"), issued a new Executive Order ("Blocking Property of the Government of Iran and Iranian Financial Institutions") ("new Executive Order"), in order to take additional steps with respect to the national emergency declared in Executive Order 12957 of March 15, 1995, particularly in light of the deceptive practices of the Central Bank of Iran and other Iranian banks to conceal transactions of sanctioned parties, the deficiencies in Iran's anti-money laundering regime and the weaknesses in its implementation, and the continuing and unacceptable risk posed to the international financial system by Iran's activities.

The new Executive Order blocks the property and interests in property of the Government of Iran, including the Central Bank of Iran, any Iranian financial institution, and any person determined by the Secretary of the Treasury, in consultation with the Secretary of State, to be owned or controlled by, or to have acted or purported to act for or on behalf of, directly or

indirectly, any person whose property and interests in property are blocked pursuant to the new Executive Order.

Certain general licenses set forth in the Iranian Transactions Regulations, 31 CFR Part 560 (the "ITR"), and certain specific licenses issued pursuant to 31 CFR chapter V, including Part 560, authorize transactions with the "Government of Iran," as the term is defined in section 7(d) of the new Executive Order, or "Iranian financial institutions," as the term is defined in section 7(f) of the new Executive Order. The issuance of the new Executive Order, blocking the property and interests in property of the Government of Iran and Iranian financial institutions, would have rendered these general and specific licenses invalid to the extent that they authorized transactions with the Government of Iran or an Iranian financial institution. OFAC has taken action to preserve these licenses under the new Executive Order.

In addition, OFAC has taken action to ensure that noncommercial, personal remittances may continue to flow to or from Iran. The issuance of the new Executive Order, blocking all Iranian financial institutions, would have prohibited U.S.

persons from processing noncommercial, personal remittances to or from Iran that involve Iranian financial institutions. General License B authorizes United States depository institutions and United States registered brokers or dealers in securities to process transfers of funds to or from Iran or for or on behalf of an individual ordinarily resident in Iran, in cases in which the transfer involves a noncommercial, personal remittance, subject to certain restrictions.

General Licenses A and B are set forth below. They also are available on OFAC's Web site at: www.treasury.gov/ofac.

GENERAL LICENSE A

Certain transactions otherwise authorized under general or specific licenses set forth in or issued pursuant to 31 C.F.R. chapter V authorized.

(a) Effective February 6, 2012, all transactions involving property and interests in property of the Government of Iran or Iranian financial institutions authorized under general licenses set forth in the Iranian Transactions Regulations, 31 C.F.R. part 560 (the "ITR"), are hereby authorized under the new

Executive Order of February 5, 2012 ("Blocking Property of the Government of Iran and Iranian Financial Institutions") ("new Executive Order"), except as set forth in paragraphs (c) and (d) of this general license.

(b) Effective February 6, 2012, all transactions involving property and interests in property of the Government of Iran or Iranian financial institutions authorized under specific licenses issued pursuant to any part of 31 C.F.R. chapter V, including specific licenses issued pursuant to the Trade Sanctions Reform and Export Enhancement Act of 2000 (22 U.S.C. §§ 7201-7211), are hereby authorized under the new Executive Order, and such specific licenses shall remain in effect according to their terms, provided that such specific licenses have an expiration date. If a specific license has no expiration date:

(1) If it was issued pursuant to any part or parts of 31 C.F.R. chapter V, but was not issued under 31 C.F.R. part 535, then all transactions involving property and interests in property of the Government of Iran or Iranian financial institutions authorized under such a specific license are hereby authorized under the new Executive Order until April 6, 2012;

(2) If it was issued pursuant to 31 C.F.R. part 535, including a specific license issued pursuant to 31 C.F.R. part 535 and another part or other parts of 31 C.F.R. chapter V, then all transactions involving property and interests in property of the Government of Iran or Iranian financial institutions authorized under such a specific license are hereby authorized under the new Executive Order, and such a specific license shall remain in effect according to its terms.

(c) This general license does not authorize any transactions authorized by § 560.517(a)(3) or (b)(2) of the ITR. Such transactions involving property and interests in property of the Government of Iran or an Iranian financial institution are prohibited by the new Executive Order.

(d) This general license does not authorize any payments from blocked funds or debits to blocked accounts, except for payments from funds or debits to accounts blocked pursuant to 31 C.F.R. part 535 that are authorized by specific licenses issued pursuant to 31 C.F.R. chapter V.

(e) *Definitions.* As used in this general license:

(1) The term *Government of Iran* shall have the meaning set forth in section 7(d) of the new Executive Order; and

(2) The term *Iranian financial institutions* shall have the meaning set forth in section 7(f) of the new Executive Order.

GENERAL LICENSE B

Certain noncommercial, personal remittances to or from Iran authorized.

(a) Effective February 6, 2012, United States depository institutions and United States registered brokers or dealers in securities are authorized to process transfers of funds to or from Iran or for or on behalf of an individual ordinarily resident in Iran who is not included within the term "Government of Iran," as defined in section 7(d) of the new Executive Order of February 5, 2012 ("Blocking Property of the Government of Iran and Iranian Financial Institutions") ("new Executive Order"), to the extent the transfer is otherwise prohibited by the new Executive Order, in cases in which the transfer involves a noncommercial, personal remittance, provided the transfer is not by, to, or through any of the following:

(1) a person whose property and interests in property are blocked pursuant to the Weapons of Mass Destruction Proliferators Sanctions Regulations, 31 C.F.R. part 544

("WMDPSR"), or the Global Terrorism Sanctions Regulations, 31 C.F.R. part 594 ("GTSR"); or

(2) a person whose property and interests in property are blocked pursuant to any other part of 31 C.F.R. chapter V, or any Executive order, except an Iranian financial institution whose property and interests in property are blocked solely pursuant to the new Executive Order.

(b) Noncommercial, personal remittances do not include charitable donations to or for the benefit of an entity or funds transfers for use in supporting or operating a business, including a family-owned enterprise.

Note to paragraph (b) of General License B:

Charitable donations of funds to or for the benefit of an entity in Iran require a specific license.

(c) The transferring institutions identified in paragraph (a) of this general license may rely on the originator of a funds transfer with regard to compliance with paragraph (a) of this general license, provided that the transferring institution does not know or have reason to know that the funds transfer is not in compliance with paragraph (a) of this general license.

(d) *Example.* A United States depository institution may transmit a noncommercial, personal remittance from a customer in the United States to her mother in Iran, provided the remittance is routed through a third-country financial institution to an Iranian financial institution that has not been designated under the WMDPSR or the GTSR or any other part of 31 C.F.R. chapter V, or any Executive order, but whose property and interests in property are blocked solely under the new Executive Order.

Dated: February 6, 2012_____

Adam J. Szubin

Director, Office of Foreign Assets Control

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